proposal for organization of new UCBs or for conversion of cooperative credit societies into UCBs is to be considered only after the situation is reviewed and a fresh announcement is made by Reserve Bank of India in this regard. As a first step, in view of the regulatory co-ordination brought about through signing of MoU's with State Governments and based on the positive experience of the Task Force for Urban Cooperative Banks (TAFCUBs), it was stated in the Mid-term Review, to allow financially sound UCBs registered in States that have signed MoU with the Reserve Bank of India and those registered under the Multi-State Co-operative Societies Act, 2002 to convert existing extension counters into full fledged branches subject to certain conditions. Guidelines in this regard have been issued to UCBs on November 13, 2006.

For new branches/licences, RBI has informed that only upon completion of review of each state in regard to the progress of restructuring of UCBs, it would permit new branches/licences.

Boom in share market

†2189. SHRIMATI MAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) the main reasons for record boom in the shares in Stock Exchange during the last one year;

(b) the effect of the same on the economy of the country, price wise and on inflation; and

(c) the action being taken by Government to check boom in shares?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The movement of market indices or price of a specific share is a function of perceptions of the investors—domestic and overseas, retail and institutional—about the economy, the sector and the company. This perception is influenced by many factors including macro-economic environment, growth potential of the economy, corporate performance, domestic and international events, and market sentiments. There is, however, no scientific means to attribute movement to a particular factor or set of factors.

†Original notice of the question was received in Hindi.

(b) There is a two way relationship between developments in securities markets and the economic development. However, there is no scientific means to capture the exact nature and extent of relationship between the two.

(c) The movement in stock prices is a normal feature of securities markets. However, there are systems in place to regulate excess volatility and protect the investors.

Customs and Excise duty on petrol and diesel

2190. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are generating huge income by way of Customs and Excise duty on crude oil, petrol and diesel;

(b) if so, what was the income per barrel in terms or rupees of the above items when the Indian basket of imported crude oil was at $18 per barrel;

(c) what is the income by way of Customs and Excise duty of the above items during the last one year, month-wise; and

(d) whether any steps have been taken to reduce Customs and Excise duty on imported crude oil, petrol and diesel and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) Based on the data furnished by the Ministry of Petroleum & Natural Gas, the estimated customs and excise revenue from petroleum sector for the financial year 2005-06 was Rs. 64738 crore. Customs & excise duty collection from petroleum sector during the said year was Rs. 62874 crore, which was Rs. 1864 crore *i.e.* 3% less than the estimated revenue.

(c) Provisional revenue collection from customs and excise duties on crude oil, petrol and diesel during the last one year is given in the statement (*See* below).

(d) Government had reduced customs duty on crude, petrol and diesel, and converted major portion of excise duty on petrol and diesel from ad-valorem to specific rates.